

Central issue facing the protesters in Washington:

Lack of political perspective endangers movement against IMF and World Bank

The Editorial Board
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Over the past six months a significant movement of protest has emerged directed against the inequalities and injustices produced by global capitalism. In late November and early December thousands demonstrated against the World Trade Organization in Seattle. A week of protests is now underway in Washington against the International Monetary Fund and the World Bank, culminating in a rally Sunday and planned disruption of the two institutions' operations on Monday.

Before the major events are even held this weekend, however, the harsh truth must be told: a lack of political perspective makes this movement susceptible to manipulation by the very forces presiding over the system against which thousands are marching.

The first activities held this week have had a thoroughly establishment and even right-wing character. The toothless "Jubilee 2000/USA," held April 9, called on wealthy nations to show "biblical forgiveness" by canceling billions of dollars owed by the poorest nations. The campaign, on its web site, "applauds" the US Congress for its efforts at debt relief, a miserable \$110 million toward the cancellation of the debt. Bill Clinton praised "the extraordinary grass-roots effort to reduce the debt of the world's most impoverished countries."

The two rallies held by the AFL-CIO April 12 against normalizing trade relations with China were dominated by chauvinism and anticommunism. The Teamsters union bureaucracy of James Hoffa provided a platform from which the ultra-right Patrick Buchanan could harangue the assembled with his nationalist and bellicose demagoguery. At the main rally, organized by the AFL-CIO leadership, which Hoffa also addressed, George Becker of the United Steelworkers of America echoed Buchanan's language.

There may be protesters in Washington sincerely trying to make their way to the working class who confuse the existing trade unions with genuine workers' organizations. There could hardly be a worse error. The AFL-CIO is a bureaucratic apparatus in which American workers find themselves trapped. Its leadership is a privileged social layer whose interests are hostile to those of rank and file union members and the masses of workers outside the unions.

The fact that a spokesperson for the United Students Against Sweatshops addressed the AFL-CIO's nationalist, right-wing gathering underscores the real danger that this movement will be co-opted by the enemies of social change before it gets going.

The IMF and the World Bank are entirely legitimate targets of anger and protest. In country after country the IMF, as the representative of the most powerful banks and financial institutions, intervenes to impose "structural reforms"—privatization, reduction of government spending, elimination of barriers to foreign ownership—aimed at ensuring the domination of global financial markets.

For the broad masses in Africa, Asia, Latin America, Eastern Europe

and the former USSR the results of IMF-World Bank policies have been disastrous. Hundreds of millions live in absolute poverty, and the number is growing. AIDS, affecting 1 in 4 in some African countries, and other diseases go untreated because the funds are not there for medical care and treatment. These institutions have also contributed materially to the growth of social tensions, communalism and ultimately bloody fratricidal conflicts.

Apologists for the status quo assert that the current global economic system is the best guarantor of prosperity. For whom? The gap between rich and poor has grown over the past half-century. The wealth of the world's billionaires, 475 individuals, equals the combined yearly incomes of more than fifty percent of the world's population, some three billion people, who subsist on less than \$2 a day.

The poor countries of sub-Saharan Africa now owe more than \$200 billion in foreign debt, three times what they earn annually in exports. Clinton, British Prime Minister Tony Blair and others claim to be advocates of "debt relief." Such claims should be treated with the greatest skepticism. The proposal to write off \$28 billion owed by the poorest countries is largely fraudulent. First, much of this debt was not being serviced in any case. And, furthermore, even with this modest relief, poor countries will still be paying more interest and other payments to the banks and global financial institutions than they spend on health and education.

Surveying the state of the world, how can any honest young person not find countless things to be outraged about? And not only in other parts of the globe, but also in the US, with its massive social inequality, political and moral corruption, worship of wealth and official cruelty. What thrills the *Wall Street Journal* editors, the stock market boom proceeding "at almost incomprehensible rates," produces an opposite reaction in anyone with a concern about the fate of American society.

After recognizing that present conditions are intolerable and something needs to be done, however, the big question still remains: on what basis and with what political orientation should such a movement be built?

Is it possible to organize a genuine campaign against the IMF and World Bank without giving any consideration to the society they have emerged from and to the interests they represent? Apparently the organizers of the demonstration, and the various "left" think-tanks and policy groups they belong to, would have us think so.

The goal of the demonstration, according to the Mobilization for Global Justice is "to pressure these institutions to immediately suspend policies that have damaged the global environment, institutionalized poverty and perpetrated misery among the world's poorest people." The 50 Years is Enough Network contends that "the future existence, structure, and policies of international institutions such as the World Bank Group and the IMF be determined through a democratic, participatory and

transparent process.”

A serious opponent of the IMF and the World Bank must, first of all, identify the social and economic foundations of these institutions and determine what it is that he or she confronts.

The IMF and the World Bank have been two of the principal agencies by means of which the present economic system has regulated its affairs since 1944. They are in the hands of the most powerful financial and political interests, bankers, corporate directors, heads of state, the social group that more than any other determines the economic fate of millions.

To suggest that the IMF and the World Bank be transformed into instruments of democratic and popular will is to encourage the worst sort of illusions. But this is in keeping with the general line of the organizers' reformist political outlook. Poverty and social misery are described in some detail in the material prepared for the demonstration, but to ascribe all these horrors simply to the IMF and the World Bank is to give these institutions more “credit” than they deserve. They are not supernatural spirits hovering over the global economy. They are the “interface” between big capital and the poorest and most vulnerable of the world's population.

There is little reference to the conditions of working people in the US in any of the material put out by the leading organizations in the demonstration—to the destruction of decent-paying jobs, to the driving down of living standards, to the gulf between rich and everyone else, to the increasing economic insecurity, to poverty, misery and homelessness in America. There are definite reasons for this.

The strategy of the demonstration's organizers is to apply pressure on Congress and the White House. There are intimate ties, in many cases, between the organizers and the Democratic Party. After flattering the participants in last Sunday's debt relief “Jubilee,” Clinton is quite ready, if the circumstances warrant, to praise next Sunday's rally in the same terms. The Democratic president is quite ready to “feel the pain” of Third World populations, but his administration, in partnership with the Republicans, has carried out policies—budget-cutting, the destruction of welfare, attacks on democratic rights—at the direct expense of the working class and the poor and presided over the growth of social inequality unprecedented in modern times.

Insofar as the leadership of the anti-IMF/World Bank movement remains in the hands of petty bourgeois operators of various types, it is open to manipulation, including for quite reactionary purposes.

The section of the ruling elite that offers its support to the protests envisions a movement that would place a “humanitarian” and “eco-safe” label on the activities of American corporations so that they could continue to exploit the peoples of the world and more successfully compete with their rivals in Europe and Asia.

There is no going back to the days, largely mythologized, of a nationally isolated economy. But an unthinking identification of “globalization” and “global capitalism” is made by sincere opponents of the current economic system as well. This is to confuse the internationalized character of production *under capitalism*, which means the intensified exploitation of working people all over the world and the worsening of living conditions, with the *objectively progressive tendency* of economic life to spread throughout the globe, fueled by advances in technology and transport.

Various political forces, including Ralph Nader, the presidential candidate of the Greens, have raised, against international organizations such as the WTO, the IMF and the World Bank, the slogan of restoring power to the national state.

“National sovereignty” is a utopian and reactionary goal. The global economy has objectively rendered the national borders obsolete; they represent a brake on the technical, cultural and productive resources humanity has built up. Globalization as such offers the potential of a society that can satisfy every material and spiritual need. The question is: who is to control and guide this immense and complex world

economy—the wealthy elite or the broad masses of the population?

Those who want to take up a struggle against global capitalism and for the creation of a society with entirely different priorities and values will have to turn toward the only force in present society that can reorganize economic and political life in a progressive fashion—the international working class.

The globally integrated economy has also meant a vast increase in the size and objective strength of the working class. In countries that were once largely agricultural societies, with the peasantry in the overwhelming majority, there are tens of millions working in factories, mines and offices. Workers in these newly industrialized nations, such as Indonesia and Korea, have demonstrated their willingness to struggle time and time again, often against privatization and the measures of the IMF.

None of the problems raised by this week's protests in Washington—the deteriorating living and working conditions of the broad masses of the population, the attacks on democratic rights, the polluted environment—can be tackled, much less solved, apart from the building of a politically conscious, anti-capitalist movement deeply rooted within the world's working people.

The 20th century posed the problem of eliminating injustice, inequality and exploitation. The Russian Revolution was the first sustained attempt to create a society free of injustice, inequality and exploitation. The attempt failed, as a counterrevolutionary bureaucracy—Stalinism—usurped power and ultimately restored capitalism. The objective need to abolish the profit system and organize social life according to a higher principle—international socialism—remains.

The working class, to prosecute such a struggle, needs to establish its political independence. This means, in the US, the need to break with the Democrats and Republicans and to shed any illusions in Buchanan and the Reform Party or Nader and the Greens. There will be no politically significant movement against global capitalism as long as it remains tied in any fashion to the coattails of the big business political set-up. We urge workers and young people to consider the program and perspectives of the *Socialist Equality Party*, the revolutionary socialist alternative to the big business parties.

Among those protesting, and within the population as a whole, there is no shortage of political energy, outrage and determination to fight the present system. Those qualities need to be combined with historical and political knowledge, the essential tools for any successful social struggle. We invite all those in attendance and those concerned with the questions we raise to read the *World Socialist Web Site*, contribute to it and participate in the political debate that must lead to the organization of a broad-based socialist movement.

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